IT PROJECT EVALUATION

Project Tracking No.: E-014-FY03-DHS

Return on Investment Program Funding Application (FY 2003 Request)

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

SECTION I: PROPOSAL

Date: _____

Agency Name: Human Services

Project Name: _____

Expenditure Name: DHS Hardware Repair/Replacement Plan

Agency Manager: Steve Mosena

Agency Manager Phone Number / E-mail: 515-281-8708

Executive Sponsor (Agency Director or Designee): Lorrie Tritch, Deputy Director of Administration

Request For ROI Application Waiver:

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over $100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

A. Project or Expenditure Rationale

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: This routine expenditure is to repair or replace technology which is no longer covered by warranty or maintenance agreements and is needed so that DHS can continue to perform its core business functions. They enable DHS to support programs in place to meet Federal standards, initiatives and statutes.

Is this project or expenditure required by State statute? ☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: This routine expenditure is to repair or replace technology which is no longer covered by warranty or maintenance agreements and is needed so that DHS can continue to perform its core business functions. They enable DHS to support programs in place to meet State statutes.

Does this project or expenditure meet a health, safety or security requirement?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: This routine expenditure is to repair or replace technology which is no longer covered by warranty or maintenance agreements and is needed so that DHS can continue to perform its core business functions. They enable DHS to support programs in place to meet health, safety and security requirements.

Is this project or expenditure necessary for compliance with an enterprise technology standard?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: This routine expenditure is to repair or replace technology which is no longer covered by warranty or maintenance agreements and is needed so that DHS can continue to perform its core business functions and remain compliant with enterprise technology standards.

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?
☒ **YES** (If "YES," explain) ☐ **NO**

Explanation: This routine expenditure in necessary so that DHS can maintain its network structure and provide staff accessibility. This is necessary for DHS to be able to participate in the State strategic plans. This would include e-government, 100% e by 2003. Reconnecting Iowans, etc.

Is this a "research and development" project or expenditure? ☐ **YES** (If "YES," explain) ☒ **NO**

Explanation:

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

Pre-Expenditure Description - In 1993, DHS implemented a Wide Area Netwok which allows DHS Staff and Professional contractors to access DHS Systems supporting the core business functions DHS has been commissioned to perform. This network and the PC devices connecting our staff and contractors consists of approx. 220 servers and over 6000 Desktop/Notebook PCs. DHS establishes end-of-useful-life replacement plans for Servers and Desktop/Notebook PCs.
Post Expenditure Desription - DHS will continue evaluation of Servers and PC to determine whether repair of existing equipment is warranted. Cost to repair and maintain equipment will be compared against replacement options to determine which solotion is most cost effective for the life, software compatibility and potential usage of the Server and Deskop/Notebook PCs.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response: Routine expenditure will be necessary to continue network operations, provide anticipated storage capacities, continue availability of client/server applications and provide interface systems for our staff and professional contractors. Without repair or replacement of equipment, the citizens of Iowa will see increased delays in core business functions DHS is commissioned to perform. Which, in turn, increases government hassle factor, decreases service quality and timelines and hamper work processes.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response:

Stakeholders of this routine expenditure are Human Services Staff, Professional contractors, Other State of Iowa Agencies as well as the business practices within DHS for citizens of Iowa. Without the equipment needed for our DHS Infrastructure as well as end user interface systems, DHS staff and professional contractors will not be able perform the job functions timely or effeciently causing delays in the core business functions DHS has been commissioned to provide.

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1. Project Executive Sponsor Responsibilities: The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Response: No response required.

2. Organization Skills:
   a. List the project management skills necessary for successful project implementation
   b. List the project management skills available within the agency
   c. List the source(s) of project management skills lacking within the agency
   d. Summarize relevant agency project management experience and results

Response:
a. Network Management and Desktop\Notebook PC Management Skills
b. DHS currently has these skill sets within our agency.
c. None
d. DDM has regularly reviewed and determined appropriate actions necessary to maintain the DHS Network Servers and Desktop\Notebook PCs. DHS has successful administered and managed the components of the DHS Network structure since 1993.

B. Project Information

1. History:
   a. Is this project the first part of a future, larger project? If so, please explain.
   b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

Response:
a. No. This routine expediture is a normal operational cost to sustain and maintain the equipment on the DHS network.
b. Routine expenditure is ongoing normal operational cost to support a network structure consisting of 220 servers and over 6000 Desktop\Notebook PCs. DHS has regularly repaired and replaced network equipement and end user interface systems within our appropriation since 1993.

2. Expectations: Describe the primary purpose or reason for the project.

Response: Routine expediture is necessary to maintan a viable network structure and provide repair or replecement of end user interface systems. These are critical to the department's core business functions. Equipment is replaced using a Server and Desktop Management Process.

3. Measures: Describe the criteria that will be used to determine if the project is successful.

Response: Routine Expenditures is essential to providing system repairs or replacements as warranted. Cost to repair and maintain equipment will be compared against replacement options to determine which solotion is most cost effective for the life, software compatibility and potential usage of the Server and Deskop/Notebook PCs.

4. Environment: List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

Response: DHS, Citizens, other State and Federal Agencies

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

Response: The risk of not performing routine repair and replacement would include lost productivity, inability to adopt immerging technologies, compatibility issues with other agencies, increased support and maintenance cost. This would impair our staff's ability to perform the core functions DHS is commisioned to perform for the Citizens of Iowa.

6. Security / Data Integrity / Data Accuracy / Information Privacy
   a. List the security requirements of the project
   b. Describe how the security requirements will be integrated into the project and tested
   c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

Response:
a. No additional security requirements are necessary. All security requirements are a normal part of our network infrastructure.
b. NA
c. NA

7. Project Schedule
   Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

Response: The routine expenditure would occur during our regular ongoing review of servers and desktop/notebooks repair and replacement needs based on Server and Desktop Management processes. DHS will continue to exercise its volume purchasing ability to procure items at greatest cost savings utilizing enterprise purchasing agreements. Since no addition funding is requested for this purchase, DHS will need to determine if sufficient funding is available within our appropriation to proceed with the purchases of repair or replacement equipment. DHS will actively participate in the state wide desktop management study.

SECTION III: TECHNOLOGY (In written detail, describe the following)

A. Current Technology Environment

1. Software (Client Side / Server Side / Midrange / Mainframe):
   a. Application software
   b. Operating system software
   c. Major interfaces to other systems, both internal and external

Response:
a. NA. Expenditure is for routine repair or replacement of existing servers and desktop/notebook PCs.
b. NA
c. NA

2. Hardware (Client Side / Server Side / Mid-range / Mainframe):
   a. Platform, operating system
   b. Storage and physical environment
   c. Connectivity and bandwidth
   d. Logical and physical connectivity
   e. Major interfaces to other systems, both internal and external

Response:
a. NA. Expenditure is for routine repair or replacement of existing servers and desktop/notebook PCs.
b. NA
c. NA
d. NA
e. NA

B. Proposed Technology Environment

1. Software (Client Side / Server side / Mid-range / Mainframe)
   a. Application software
   b. Operating system software
   c. Major interfaces to other systems, both internal and external
   d. General parameters if specific parameters are unknown or to be determined

Response:
a. NA. Expenditure is for routine repair or replacement of existing servers and desktop/notebook PCs.
b. NA
c. NA
d. NA

2. Hardware (Client Side / Server Side / Mid-range / Mainframe)
   a. Platform, operating system
   b. Storage and physical environment
   c. Connectivity and Bandwidth
   d. Logical and physical connectivity
   e. Major interfaces to other systems, both internal and external
   f. General parameters if specific parameters are unknown or to be determined

Response:
a. NA. Expenditure is for routine repair or replacement of existing servers and desktop/notebook PCs.
b. NA
c. NA
d. NA
e. NA
f. NA

C. Data Elements

If the project creates a new database, provide a description of the data elements.

Response: None created.

SECTION IV: Financial Analysis

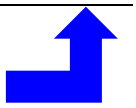
A. Budget: Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{Budget\ Amount}{Useful\ Life}\right)\times \%\ State\ Share\right]+\left(Annual\ Ongoing\ Cost\times \%\ State\ Share\right)=Annual\ \text{Pr}orated\ Cost$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	$	1	%	$	%	$
Software	$	4	%	$	%	$
Hardware	$ 6,000,000	3	50%	$ 0	50 %	$ 1,000,000
Training	$	4	%	$	%	$
Facilities	$	1	%	$	%	$
Professional Services	$	4	%	$	%	$
ITD Services	$	4	%	$	%	$
Supplies, Maint, etc.	$	1	%	$	%	$

Other (Specify)	$		1		%		$		%		$
Totals	$6,000,000		-------		-------		$ 0		------		$ 1,000,000

Transfer this amount to the ROI Financial Worksheet, item “D” on page 13.



B. Funding: Enter data or provide response as requested

1. This is (pick one):
   - ☐ A Pooled Technology Fund or Reengineering Fund Request
   - ☒ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)
   - ☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost ($)	% Total Cost	Cost ($)	% Total Cost	Cost ($)	% Total Cost
State General Fund	$3,000,000	50 %	$	%	$	%
Pooled Tech. Fund	$	%	$	%	$	%
Federal Funds	$3,000,000	50 %	$	%	$	%
Local Gov. Funds	$	%	$	%	$	%
Grant or Private Funds	$	%	$	%	$	%
Other Funds (Specify)	$	%	$	%	$	%
Total Project Cost	$6,000,000	100 %	$	%	$	%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

Response: Routine expenditures have come from DHS Appropriation. In FY2002, The Iowa Legislature took the funding from DHS that normally covered these expenses. Continued routine repair and replacement will be contingent on available funding within the DHS appropriation.

1. On a fiscal year basis, how much of the total ($ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

Response: Entire amount is being absorbed by agency. No additional funds are being requested.

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State $s) that will be incurred after implementation or expenditure.

Response: None.

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

Response: N/A

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response: N/A

3. State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response: N/A

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of $10 per hour for citizen time savings and $.325 per mile for travel cost savings.

Response: Approx. 680,000 Clients Served Annually x 10% (increase in equipment failure impacting worker accessibility) x 1.0 hour per client (time lost) x $10 per hour = $680,000 (ESTIMATE).

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response: DHS currently receives approx. $1.6 Billion in Federal funding for benefits as well as Matching Federal Funds for FTEs and Support. Should equipment failure increase due inabilty to perform routine repair or replaced of network servers and desktop/notebook pcs reflect in delay is the distribution in benefits to the Citizens of Iowa, the Federal Government could sanction the State of Iowa. A 1/4% Sanction of the total Federal funds provided for Benefits and FTEs/Support would be $4,000,000. Also, this expenditure qualifies the State for $3,000,000 in Federal matching funds. Total =$7,000,000

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

Response: $7,680,000

7. Total Annual Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years.

Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

Response: $3,000,000

8. Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

Response: $7,680,000 / $3,000,000 = 2.56

9. ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

Response:
($7,680,000 - $3,000,000) / $3,000,000 = 156%
NO IT POOLED TECHNOLOGY FUNDS ARE BEING REQUESTED.

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Readily Quantifiable" box in the applicable row.

Response: This routine normal operational cost for the DHS IT repair and replacment of network servers and Desktop/Notebook PCs is necessary to maintain accessibility to DHS information systems as well as communication. This routine expenditure is imparative to be able to perform the core business functions DHS has been commissioned to perform. These systems support services ranging from the care of the disabled to the protection of children and families.

Delays in services can result in:

Less productivity by State Staff and Professional Contractors during extended downtime	(10)
Increased delays in benefit determination and processing	(10)
Increased mail loss of benefits	(10)
Increased mail cost for incorrectly process benefits.	(10)
Increased manual processing time of client benefits	(10)
Increased error rates in benefit calculations	(10)
Increased sanctions from the Federal Government	(10)
Increased Appeal Claims	(10)
Increase in lawsuits against DHS.	(10)

11. ROI Financial Worksheet

Annual Pre-Project Cost - How You Perform The Function(s) Now	
FTE Cost (salary plus benefits):	$ NC
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$ NC
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$ NC
A. Total Annual Pre-Project Cost:	$ NC
Annual Post-Project Cost – How You Propose to Perform the Function(s)	
FTE Cost:	$ NC
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$ NC
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$ NC
B. Total Annual Post-Project Cost:	$ NC
State Government Benefit (= A-B):	$ 0
Annual Benefit Summary	
State Government Benefit:	$ 0
Citizen Benefit:	$ 680,000
Opportunity Value or Risk/Loss Avoidance Benefit:	$ 7,000,000
C. Total Annual Project Benefit:	$ 7,680,000
D. Annual Prorated Cost (SECTION IV-A):	$ 1,000,000
Benefit / Cost Ratio: (C / D) =	7.68
Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =	156 **%**
☒ **Benefits Not Readily Quantifiable**	

Section V: ITC Project Evaluation Criteria

Criteria and Location in Project Evaluation Document		Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? **Location: Section I-A**	**15**
2.	Will the project improve customer service? **Location: Section I-B.2**	**15**
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with Iowans? **Location: Section I-B.3**	**10**
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? **Location: Section IV-C**	**10**
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? **Location: Section I-B.1**	**10**
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. **Location: Section II-B.5**	**10**
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? **Location: Section II-B1, IVB2**	**10**
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? **Location: Section I-B3, IIB4**	**10**
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) **Location: Section IV-B.2, IV-B.3**	**5**
10.	What is the credibility of the requester based on past performance on other projects? **Location: Section II-A.2.d**	**5**
	Total	**100**